

Part III
**Transcript of March 5, 2001 Public Hearing –
Raleigh, NC**

*Jordan Lake Water Supply Storage Allocations Round Two
and
Proposed Increase in Interbasin Transfer*

**Public Hearing, March 5, 2001, Raleigh
Transcript**

Hearing Officer: Leo Green

I want to welcome all of you to this public hearing on the proposed allocations of Jordan Lake water supply storage and increasing interbasin transfer for the towns of Cary, Apex, and Morrisville, and Wake County for RTP south by the North Carolina Environmental Management Commission. Hearing officers for this hearing are: Dr. Dave Moreau, Jim Melvin (who is not here yet), and I am Leo Green. Other members of the EMC that are present are: Larry Joyner and Ryan Turner.

This hearing has been called pursuant to NC General Statute 143.215 for the purpose of inviting public comment on the proposed allocations and interbasin transfer certification recommended by the Division of Water Resources. Public Notice of this hearing was provided by first class mail on January 31, 2001 to over 590 parties in and around the Cape Fear River Basin, including existing allocation holders, persons with registered withdrawals or permitted discharges, local governments, public water systems, Legislators, and other interested and private and public parties. Public Notice was published in the Raleigh News and Observer on February 2, 2001 and in the Fayetteville Observer Times on February 1, 2001. Public Notice was also published in Volume 15, Issue 15 of the NC Register on February 1, 2001. The public is invited to comment on both the Jordan Lake Water Supply Allocations and the applicants interbasin transfer petition and supporting environmental documentation. The Commission is considering and seeking comments on three options with regard to the interbasin transfer request. The options in no particular order are:

- A. Grant the certificate for the 27 MGD interbasin transfer request.
- B. Deny the 27-MGD interbasin transfer request or grant the certificate including any conditions necessary to achieve the purposes of the statute or to provide mitigation measures.

The public is encouraged to comment on any conditions that the Commission should have done to restrict the proposed allocations and interbasin transfer. As you entered you should have filled out one of the registration forms so that we will have a record of all in attendance. If you did not do so, please do so before you leave. You should have also indicated on the form if you would like to make comments.

Representing the Division of Water Resources here is: Director John Morris; Tom Fransen, Water Allocation Section Chief; and Syd Miller, Environmental Planner.

At this time Syd Miller will summarize the allocation and interbasin transfer recommendation.

[Verbal comments by Syd Miller, Division of Water Resources]

Good afternoon. You are aware of the purpose of this meeting or hearing. If you are here for any other reason, you do not need to sit. This provides the context of where we are in the process. This began back in 1996. In 1997 the EMC already made decisions on those allocation requests that did not involve interbasin transfers. At that time, they gave a 2 MGD allocation to the town of Holly Springs. After this, the Environmental Management Commission will consider the hearing officer's report and make a decision. What we are talking about here is Jordan Lake. This diagram provides sort of a conceptual schematic of how the lake is operated. The lake normally here is 216 feet, and down here is what's called the sediment pool, between this is called the conservation pool, which is divided roughly into 1/3 and 2/3's. 1/3 is allocated to water supply storage and the other 2/3's is allocated to low flow augmentation. So 1/3 of the inflow is to the lake, roughly get assigned here and 2/3 gets assigned here. Before Jordan Lake, the low flow at Wilmington was a little over 75 CFS (that's Cubic Feet per Second) or 49 million gallons per day. With Jordan Lake, that target at Wilmington is now 600 plus or minus 50 Cubic Feet Per Second or 388 plus or minus 32 million gallons per day. Rules in the North Carolina Administrative Code define how the allocations are to be made or to specify that criteria that are considered. One of the main criteria is that applicants are holders needs, another alternative water sources are available to those applicants. All allocations are based on the average daily demands and for this round, what we are calling Round Two, the Division of Water Resources based those needs on a planning horizon of 2015. If you want to get into any more detail, this is where you can look or you can call us. So, this is where we are right now in terms of allocations. This is the two that was allocated to Holly Springs in December of 1997. These allocations were already held by Orange County and OWASA (Orange Water and Sewer Authority) and then Cary and Apex already had 16 and Chatham County already had 6. One thing I need to mention is when we talk about allocations in terms of million gallons per day, actually what allocations are made on percentage bases of the total water supply storage pools. When we talk about an allocation, say 16 million gallons per day, what we are actually talking about is an allocation of 16 percent of the water supply storage pool. These were the original requested amounts by these applicants. One thing that we need to note here, these requested amounts were a mixture of maximum day demands and average day demands and they were also based on a longer planning horizon. These requests were based on year 2025. As I mentioned before, the Division of Water Resources in making recommendations shortened that planning horizon to 2015 to be a little more conservative and put everything on an average day demand basis. These are the recommended allocations for these applicants, a total of 9 million gallons a day. So, if these recommendations are followed by the Environmental Management Commission, this is what the allocation of a water supply storage pool will look like. These allocations here are a total of 33 million gallons per day were made back around 1998. This right here is the 2 million gallon a day that was allocated to Holly Springs and what we are calling here Round Two A in 1997. If the recommendations are followed at the next Environmental Management Commission Meeting that reviews this decision, an additional 9 million gallons a day will be allocated. This will leave a total 56 million gallons per day or 56% of the water supply storage pool unallocated. The reason that the top five applicants on that chart, which were Cary, Apex, Chatham County,

Harnett, Morrisville, and Wake RTP, recent decision on that was delayed from 1997 to here in 2001 because a number of those had to deal with interbasin transfers. That is not the case with Chatham County or Harnett County, they had just requested that they had the opportunity to provide additional information. These are the criteria on which interbasin transfers have to be decided. First here, necessity, reasonableness, and beneficial effects of the transfer and of the proposed uses, any detrimental affects on the source river basin, that would be the Cape Fear River Basin, any detrimental affects on the receiving river basin, that would be the Neuse River Basin, the EMC is grant that certificate unless the detriments outweigh the benefits. Also it needs to be noted that when it comes to making the decision about interbasin transfer, that decision is based on maximum daily demands. That is the difference between the allocations and the interbasin transfers. The allocations are made based on an average daily demand. If you want to look into this more fully, these are the two statutes that have to do with interbasin transfer and the administrative rule. These are the highlights of the petition that were submitted on behalf of the towns of Cary and Apex, Morrisville, and Wake County on behalf of Research Triangle Park. At present, Cary and Apex have an interbasin transfer certificate for 16 million gallons a day; their request involves basically an increase of 11 million gallons per day to 27 million gallons per day. Part of that petition was an intention of constructing a Cape Fear River Basin Wastewater Treatment Plant. It was noted that in the Environmental Impact Statement there are no direct environmental impacts, but that secondary impacts due to growth could be significant but again there was nothing that was attributable specifically to interbasin transfer. In the case of all the scenarios of the Environmental Impact Statement the impacts due to growth would have been the same. Put it into context, this is the upper part of the Cape Fear River Basin, this is the Yadkin River Basin, this is the Neuse River Basin. Currently, based on the 1997 local water supply plans, we have an interbasin transfer of 3.2 million gallons per day by the City of High Point going from the Cape Fear River Basin to the Yadkin River Basin. We have an interbasin transfer of 4.6 million gallons per day by the town of Asheboro going from Yadkin into the Cape Fear River Basin. Montgomery County transfers less than a million gallons per day into the Cape Fear River Basin. The City of Durham transfers 18.3 million gallons per day into the Cape Fear River Basin from the Neuse River Basin and currently Cary and Apex transfer 10.6 million gallons per day into the Neuse River Basin. So, the net transfer of the Cape Fear River Basin is 10.1 million gallons per day. Again that is based on 1997 local water supply plans. Looking at it another way, these are the projected demands of the petitioners. The yellow bar here shows their total transfer from the Cape Fear River Basin. This Neuse River Basin, this blue line right here shows the net transfer with all this considered along with the City of Durham, and that transfer from the Neuse River Basin into the Cape Fear River Basin. A couple of pieces of information from the Environmental Impact Statement, this shows a comparison of impacts on flows at Fayetteville, this was looking at the base 1998 scenario of the model runs, the base future scenario, and then the proposed scenario, that being the requested transfer amount. The important thing about this slide is to note that the base future of the proposed are virtually identical. This shows comparison of impacts on Jordan Lake levels, this is during one of the critical droughts of record during the recreation period of June through August. Again we have got the base 1998 scenario, base future scenario, and the proposed transfer. Again compare the base future with the proposed transfer, its virtually identical. As Mr. Green noted in the opening, potential Environmental Management Commission actions are to improve the petition as it was proposed, deny the petition, or approve the petition with conditions. Here are some potential conditions that the Environmental Management is considering:

1. To allow interbasin transfer of 27 million gallons per day until the year 2010, but after that reduce it back to 16 million gallons per day that they currently have after 2010.
2. To require that the Cape Fear River Basin Wastewater Treatment Plant be online by 2010 returning wastewater back to the Cape Fear River Basin.
3. Require the petitioners to enact ordinances similar to the Neuse Buffer Rules within the Jordan Lake Watershed.
4. Require the petitioners to develop a compliance and monitoring plan to ensure that they are within the limits of their certificate and then of course any other conditions that might be opposed.

The comment period will close this Friday at 5 PM. You may submit written comments to the Division of Water Resources, either in writing, by US Mail, or by e-mail, or either. If you want any more additional information the entire Environmental Impact Statement is online at our homepage, as are all of our reports. With that I will turn it back over to Mr. Green.

Hearing Officer: Leo Green

I will now call on those persons who have indicated a desire to comment on these recommended allocations. Please limit your comments to matters relevant to the proposed recommendations and we are setting a time limit of 3 minutes per speaker. The Hearing Officers reserve the right to question speakers or to respond to comments as appropriate. All speakers must come up to the microphone so that we can pick up your comments on our system. If you have any written statements of your comments please give them to the person at the registration table. When your name is called please step up to the microphone and identify yourself and your affiliation. First commentator is Mayor Keith Weatherly of the town of Apex.

Written copy of verbal comments by Mayor Keith Weatherly, Town of Apex

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**COMMENTS IN SUPPORT OF THE REQUEST BY CARY AND
APEX FOR A CERTIFICATE TO INCREASE THEIR INTERBASIN
TRANSFER ("IBT") OF WATER FROM THE HAW RIVER
SUBBASIN TO THE NEUSE RIVER SUBBASIN**

Mayor Keith H. Weatherly for the Town of Apex

I am Keith Weatherly, Mayor of the Town of Apex. On behalf of the Town of Apex I would like to thank the hearing officers, members of the Environmental Management Commission, staff of the Department of Environment and Natural Resources and numerous others that have worked so hard on our Interbasin Transfer request. As you develop your recommendation on our request I would like you to consider the following facts:

1. The Environmental Impact Statement issued by the Department clearly demonstrates no direct detrimental impacts from the proposed transfer. One of the reasons for this is the design of the lake itself as originally conceived and approved by Congress. The water supply pool can safely supply up to 100 million gallons per day for drinking while the flow augmentation pool which is segregated from the water supply pool, will provide water for our downstream neighbors needs.
2. I would like to point out that there is already a net Interbasin Transfer from the Neuse River Basin into the Cape Fear River Basin. I would ask that as you consider our request, you look at realistic future transfers and acknowledge that our transfer would only cancel out the transfers by the City of Durham.

3. The State Legislature set up an orderly process for the evaluation of Interbasin Transfer because they recognized Interbasin Transfer is a fact of life and will continue to be necessary if North Carolina is to have a strong, vibrant economy. We have followed all the requirements of these rules and believe the system does work and the final decision must be based on the technical information. We believe the Division of Water Resources would not have supported the conclusions of the Environmental Impact Statement if the technical data had not met all the tests of the prevailing general statutes.
4. This request is not an effort to build water capacity in the speculative hope of luring even more population growth to our community. It is instead a very real response to our present circumstances that are in many ways not of our making. There has been and there is presently a remarkable rate of employment growth in the Research Triangle Park. The recruitment of the growth in the RTP has been the policy of the State of North Carolina and certainly the passion of several Governors and their Departments of Commerce. The people that have come to fill the jobs in these high tech industries have chosen our nearby community for a place to live. These are the circumstances to which we must respond and I think fair-minded people would say that these circumstances offer benefits not just to our community, but to the entire State of North Carolina.
5. In responding to this need for additional RTP-related housing, the corresponding population increase, and the sure to follow demand for additional water, we have certainly been mindful of our need to conserve water. You will find that our

average per capita consumption is among the lowest in the state and our water conservation efforts are some of the most progressive.

6. Many people, including the Water Allocation Committee, have requested a future regional wastewater treatment plant in the Cape Fear Basin. The Town of Apex has consistently supported a jointly-owned facility of this type and stands ready to commit the resources required to construct our share of such a facility. We have always seen the value in this regional approach and would ask the Environmental Management Commission and the Department of Environment and Natural Resources to assist us in reaching this goal.
7. The concerns expressed by some over secondary impacts may or may not be appropriate in considering the Interbasin Transfer Request. However, I am here to confirm our continued belief in the protection of the environment and willingness to accept conditions requiring Neuse-type buffers. Our Board has already directed staff to develop ordinances providing water quality protection for all streams in Apex above and beyond any existing state mandates. In addition, we have already developed a growth management plan. This plan puts in place an urban growth boundary and a 4% annual growth rate for the future. These are all serious measures that address secondary impacts and can be found but in a few jurisdictions across the entire State of North Carolina.
8. Finally, I am concerned with the Water Allocation Committee's proposed condition to reduce the Interbasin Transfer to 16 MGD after 2010. I believe this condition has no technical merit because there is no direct impact from the proposed transfer. Building and operating the elaborate pumping schemes this

would require poses tremendous environmental risks and prematurely abandoning existing facilities in the Neuse Basin is a terrible waste of public resources. Please consider, or if appropriate, reconsider this proposed condition and omit it from your final recommendation.

In conclusion I would like you to consider the technical information before you, the needs of the present and future residents of Apex, the guidance offered by the general statutes, and then make a recommendation supporting this request. Thank you for your time and efforts.

Leo Green-Maybe: Mayor, are you going to make comments on the regarding your request to drop the production in 2010, you said it was going to cost, when we have no real information on that. Are you and your staff going to submit information to us.

Mayor: We certainly will if you find it appropriate that we do so and I will ask staff that is here can we prepare one before the deadline.

Someone asked a question here, but I could not hear.

Mayor: We will be glad to do so if it will help in your deliberation. Thank you.

Leo Green: Mr. James O. Robertson, Research Triangle Foundation

Verbal comments by James O. Robertson, Research Triangle Foundation

Thank you very much, I appreciate the opportunity to make a few comments to you this afternoon about the request you have before you. I am James Robertson, I am President of the Research Triangle Foundation of North Carolina. The Foundation is the non-profit that is the developer of Research Triangle Park.

North Carolina has been extremely fortunate to have a tradition of strong visionary leaders who have worked together for the overall well being of the State. When a group of these leaders from business and government to universities gathered to create the Research Triangle Park in 1959, North Carolina's economy was based on old-line, low wage industries. Research Triangle Park was created with the primary intent of providing well paying, satisfying jobs for North Carolinians, particularly the graduates of the State's universities. In the past forty-two years, the Research Triangle Park has well surpassed that initial vision and now serves as one of the primary economic engines of our state. The park's name is renowned throughout the world as a place for high quality research and development and sustain. Today with 144 businesses, the Research Triangle Park supports over 50,000 full and part time jobs with a total annual payroll well in excess of \$2 billion. The park companies not only provide well paying jobs and pay very significant salaries and very significant taxes in North Carolina, but they also make very significant purchases. These purchases are made in every one of the 100 counties in the State and represent more than \$2.1 billion that is invested back into our State on an annual basis. The park has been a major factor in helping to shift North Carolina's economy away from low wage, old line industries and then to the higher paying new line technology related industries. In 1956, shortly before the park ever began, North Carolina had under 12% of all its workers involved in new line technology oriented industries. By 1995, the most recent figures available to us, the State had reached the level for almost one in three jobs. One in three jobs was a new line industry. Furthermore, with a 20.7% increase in per capita income during that period from 1994-1998, North Carolina ranked 13th in the Nation in change of the per capita income and I might point out that when the park started we ranked 49th. For the saying at the time was Thank God that Mississippi was ranked 50th. Currently 7 companies including Biogen, Ericsson, Cisco Systems, Cobask, _____ Products, Largecom, and _____ have located in the Wake County portion of the park. Today these companies have invested more than \$500 million and they have another \$715 million that is under construction or planned in the very near future. As you know the Wake County portion of the Research Triangle Park receives its water from Jordan Lake via the Cary-Apex Water Treatment Plant. This water and increases in future supply are critical to our continued success and thankfully both Cary and Apex have committed to continue as our partner by providing us that necessary water as they work to expand their water treatment capacity with the water they receive from Jordan Lake. When B. Everett Jordan Lake was created in 1982, it was intended to provide flood control, recreation, wildlife habitat, and 100 million gallons of water a day for water supply in the region. 50 million gallons of water dedicated to those on the lakes east side and 50 million on the west side. In a 1988 study, the Division of Water Resources states that the water supply pool should provide 100 million gallons of water supply with the assumption that 50% of that water would not be returned to the Jordan Lake Water reservoir. An essential step in the process of treating more Jordan Lake water is securing increases in our existing water allocation from Jordan Lake as well as our interbasin transfer certificate and to this end Cary, Apex, and Morrisville and on behalf of the Research

Triangle Park Wake County, we began the process to secure the IBT certificate in 1995 according to the requirements established in North Carolina General Statutes. Since then, the Division of Water Resources, as we have already heard, spent three years evaluating the impact of our requested interbasin transfer with the support from the applicants, which includes approximately \$300,000 for the Cape Fear River Hydrologic Model. This model was developed with extensive collaborative stakeholder input, including over six years of data and was calibrated based on data available between 1988 and 1998. The model was used to assess the direct impacts of the proposed interbasin transfer and its various alternatives on downstream flows and the lake elevations. The alternatives addressed included: doing nothing, which results in no increase in the IBT, with water from the Neuse River Basin and increasing wastewater discharges to the Cape Fear River Basin. The modeling results indicated that even with the 45 million gallon per day IBT that would be needed. If the proposed Cape Fear Water Treatment Facility was not built there was no significant impact on downstream flows and Jordan Lake elevations. Now five years and more than \$750,000 later our IBT evaluation is without a question comprehensive, precise, extraordinary and unprecedented for North Carolina. There will be no negative impacts from the water allocation and IBT increases, is scientifically indisputable. Be the North Carolina of Environment and Natural Resources including the Division of Water Resources has fully reviewed all of those related documents and supports the findings that the IBT increase will have no negative impact. We are delighted that the EMC has scheduled these two public hearings on the IBT certificate. The request made by Cary, Apex, Morrisville, and on behalf of Wake County portion of the Research Triangle Park, we respectfully urge you as the hearing officers to advise the Environmental Management Commission that our request for the interbasin transfer, essential to our future growth and development, that there is no negative impact on our downstream neighbors and that our request should be granted expeditiously. Thank you very much.

Written copy of verbal comments by Mike Koivisto, Town of Morrisville

**COMMENTS IN SUPPORT OF THE REQUEST BY CARY AND APEX FOR A
CERTIFICATE TO INCREASE THEIR INTERBASIN TRANSFER ("IBT") OF
WATER FROM THE HAW RIVER SUBBASIN TO THE NEUSE RIVER SUBBASIN**

Submitted by

**Mike Koivisto, Assistant Town Manager
Town of Morrisville**

Good evening. My name is Mike Koivisto and I am the Morrisville Assistant Town Manager. I am here to speak in support of the proposed interbasin transfer of water from the Haw River to the Neuse River.

The Town of Morrisville is a rapidly growing municipality. Between 1997 and 2000, the Town's population more than tripled from 2,100 citizens to approximately 7,000 citizens. Projections indicate that the population will increase almost 4 times by 2030 to an estimated population of 27,000.

A great deal of Morrisville's growth has occurred due to its proximity to Research Triangle Park (RTP). RTP is internationally recognized for cutting-edge research and development, and its existence benefits the entire state of North Carolina. Industries locating to RTP provide a wealth of high paying jobs.

In order to provide a reliable drinking water source for our citizens and encourage growth within the RTP area that will benefit all of North Carolina, it is imperative that this interbasin transfer request of an increase to 27 MGD be granted.

Thank you for the opportunity to comment.

Verbal comments by Bill Coleman, Town of Cary

Good afternoon. My name is Bill Coleman, I am the Town Manager of Cary. I am here to speak in support of our request the transfer of water from the Haw River to the Neuse River. The interbasin transfer is part of Cary's, part of the towns overall strategy to provide our citizens and businesses with water in an environmentally sound cost effective manner as all municipalities are expected to do by their citizens. I believe information compiled by the applicants and DWR over the last five plus years strongly supports the approval of the requested transfer based on the criteria set forth in the North Carolina General Statutes. I would like to highlight some of that information and comment on one of the potential petitions published in the hearing notes.

The Town of Cary has experienced significant growth over the past thirty years. This is largely due to the growth in the Research Triangle Park area: including high tech industries located and expanding in Research Triangle Park. Many of the employees of these industries live in the Town of Cary. As growth occurs, the demand for water has increased. Growth in Cary is projected to continue but at reduced rates in the future. Because of growth in the park and the continuing job growth in the region we are to address its long-term water supply issues. The Town has implemented an aggressive program to reduce water demand by implementing conservation and reduced measures now and in the future. Our Town Council adopted a formal water conservation plan April 13, 2000, which incorporates volunteering regulatory and incentive mechanisms. We have just added a new much higher rate at the top of our tier water rate structure to discourage unnecessary irrigation. We are installing a very clean water distribution system and may I add at a cost of about \$10 per gallon if you look at the total water offset, so therefore we do not take action to store water supply based on the cheapest method possible. This will allow our customers in the service area where the reeves or the use of reclaimed water exists provide irrigation with reclaimed water only. We already have low per capita water use rate compared with other North Carolina cities and are working toward the goal of reducing our water demand by 20% by 2020. With these conservation programs if we plan our water needs using typical water use rates that were common in other cities in our state, our requested interbasin transfer would have been significantly higher. The Town of Cary has been working with the Division of Water Resources on our proposed interbasin transfer for over five years. A comprehensive four way basin hydrologic model was used to assess the impacts of the proposed interbasin transfer. This hydrologic model was developed with full stakeholder participation from the Cape Fear River Basin using sixty years of data and was calibrated based on detailed data available between 1988 and 1998. The top levels of DENR and the various environmental divisions have scrutinized out the model and its use for accessity impacts of the transfer and concur with the results. The model shows that there are no direct impacts on downstream flows or Jordan Lake allocations from our requested IBT. The IBT will reduce the average annual flow to the Cape Fear River by a maximum of ½ of 1%. At Lillington this is about 1.5 MGDs out of 388 MGDs. The Environmental Impact Statement clearly shows that there will be no significant direct environmental impacts dealing with the Cape Fear or Neuse River Basins. Cary recognizes that the proposed interbasin transfer will facilitate growth and there will be secondary impacts associated with that growth. Cary has implemented a number of programs to mitigate these impacts, such as basin wide streambuffer requirements throughout the town's jurisdiction. These exceed the state's requirement for the Neuse River Basin and set a bar for a new level of protection for the Cape Fear River in the future. We are committed to

protecting the natural resources in the area and challenge others to match this level of water quality protection. Our requested transfer should be reviewed in context of other transfers that are ongoing in the Cape Fear and Neuse River Basins. A review of data provided in the water supply plans indicates the current net transfer are out of the Neuse Basin and into the Cape Fear River Basin. An extra 10 million gallons a day is now transferred into the Cape Fear River Basin on an average basis. These transfers are expected to continue or increase in the future. Our requested transfer will help offset the current net transfer from the Neuse River Basin to the Cape Fear River Basin, thus balancing the flow between these basins. We sympathize with downstream users concerned about the safety of the Cape Fear River below Jordan Lake and about the reliability of Jordan Lake's low flow augmentation core. The Division of Water Resources must work quickly to determine the safe yield of the river. Cary and the Public Water Commission of Fayetteville are cooperatively funding a Cape Fear River water quality-modeling project that will assist with this. The Division of Water Resources is already working on a drought management plan for the low flow augmentation pool that has discussed options for better meaning flow targets for stakeholders, the Corps of Engineers, and the USGS. However, since low flow augmentation pool is operated independent of the water supply pool our requested IBT does not impact low flows on the Cape Fear River and the transfer will have no affect on the state yield determination. Since the Jordan Lake low flow augmentation pool is managed separately from the water supply pool the IBT has not impact on the ability of a low flow augmentation pool to meet downstream flow targets. Finally I would like to comment on the proposal to allow the requested IBT of 27 MGD only until 2010 but reduce it to 16 MGD after that. The Town of Cary's plan to construct a water reclamation facility that will return water to the Cape Fear River and this assumption was built on our request for 27 MGD, without the proposed reclamation facility our needed IBT would be 45 MGDs. Even though the Environmental Impact Statement shows there are no impacts associated with this higher IBT we still believe that returning water to the Cape Fear River is the right thing to do. However, reverting the IBT to 16 MGD after 2010 is similar to denying our request. Depending on the method used to meet this requirement it would cost an additional \$55 to 90 million to meet this permit condition and these numbers do not include operation and maintenance costs, particularly the cost of pumping wastewater around our community. It would therefore be a extraordinary financial impact on our citizens and businesses that are served by the Cary-Apex Water System to reduce the IBT back to 16 MGD after 2010. In summary I request that you grant the interbasin transfer of 27 MGD, we have already taken extraordinary steps to minimize our request and the analysis conducted over the last five years shows conclusively that there are no significant negative impacts. Reducing the transfer below 27 MGD or denying our request would unnecessarily increase the cost for providing water to our customers with no environmental benefits. A question was raised a minute ago about documentation on the cost of reducing back to 16 MGD after 2010,I believe we have already submitted some information on this issue to the staff and or consultants will be in conversation with the staff and if there is additional information we need to provide we will certainly do that prior to March 9th. Thank you.

Written copy of verbal comments by Larry B. Thomas, City of Sanford



PUBLIC WORKS DEPARTMENT

CITY OF SANFORD

P. O. BOX 3729
FAX 919-774-8179

North Carolina 27331-3729

TELEPHONE 919-775-8301
OR 919-775-8231

March 5, 2001

NC Environmental Management Commission

Re: Comments from the City of Sanford Concerning Round 2 Jordan Lake Water Supply Storage Allocations & Proposed Increase in Interbasin Transfer by the Towns of Cary, Apex, Morrisville, and Wake County (for RTP South)

Dear Commission Members:

One's position on interbasin transfer has a great deal to do with where you live in relation to the Jordan Lake Dam. The City of Sanford is downstream from the dam. Therefore, we are obviously opposed to the transfer of water from our basin to another basin. Water rights are going to be one of the major issues facing North Carolina in the future. We believe that any transfer of water out of the Cape Fear Basin that is not returned to it will limit the growth and health of our basin.

The environmental impact statement produced by the communities requesting a transfer is important yet incomplete. It assumes that the transfer stands alone with no other demand when considering the impact on the environment. The City of Sanford will exceed its allowable draft from the Cape Fear River before the year 2010. We have applied for additional flows, but have been advised by the state that a study must be undertaken to determine total water needs from the river before our application will be considered. If it is important to conduct a study before increasing the allowable draft of communities within the basin, it certainly should be even more important to conduct a similar study when communities are requesting an interbasin transfer. This study should include future water demand created from urban growth and agricultural needs as well as the necessary flow for a healthy river environment.

The low augmentation storage of Jordan Lake is designed to maintain a minimum flow of 388 mgd (600 cu ft per second) at Lillington. No one has determined what portion of this flow is necessary to maintain a healthy environment. Let us assume for discussion sake that 200 mgd would be required to maintain the aquatic life and natural stream health. A flow of 188 mgd would be the remaining flow to serve agricultural and water demand for the communities

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downstream. The City of Sanford has already projected that its needs will exceed 40 to 50 mgd by the year 2050, which is more than one-quarter of this flow. With this rationale, one can easily see that Sanford, Harnett County, and Fayetteville could completely consume the remaining flow in the river without regard to any other needs in the basin.

However, if all water were returned to the basin, it would extend the time that the river could serve the needs of the basin. The 100 mgd water storage available in Jordan Lake assumes that 50 mgd will not be returned to the Jordan Lake watershed. There has been 16 mgd of that storage already allocated without consideration of the communities downstream.

When the Corp of Engineers determined the size of the augmentation storage in the Jordan Lake, they did not consider the Randleman Dam, the increased use of irrigation for future agricultural needs, or that none of the Jordan Lake water storage would be used for downstream communities. For these reasons, we think the augmentation storage is inadequate to maintain the flows at Lillington. In the future, the water supply storage may be necessary to supplement the augmentation storage.

It is the City of Sanford's position that the following items should be addressed concerning the request for interbasin transfer:

- A study analyzing the entire basin should be conducted to determine the future water demand due to urban growth, agricultural needs, and flows necessary to maintain a healthy river environment. This study should address all water needs and all water available in the basin including the water storage in Jordan Lake.
- The maximum interbasin transfer should not be increased above its present level of 16 mgd. A temporary interbasin transfer could be allowed if Cary and Apex are required to build a wastewater treatment plant that discharges back to the Jordan Lake watershed. The plant should be built and online by the year 2010, and the interbasin transfer should be reduced to the original 16 mgd.

The City of Sanford would like to thank the Commission for the opportunity to present our concerns. We feel like our position is one that is a good compromise to address all the needs of the communities in the area.

If you would like to discuss this issue further, please feel free to contact me at (919) 775-8231.

Sincerely,



Larry B. Thomas
Public Works Director

LBT/rd

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Question Being Asked:people downstream, could you provide us with a copy of documentation that specifies what those ...would be?

Let me make sure I understand. We applied for to increase our draft and we notified that they would be some looking at.

Can you give us copies of that correspondence? We got that in person.

One of the pieces of information that is floating around is the discussion that there are restrictions on downstream withdrawals and I think the Commission needs to be informed as to where those are coming from. Who is specifying limits on withdrawals downstream? All I need is some documentation of that, we need to verify under what conditions, who is setting those conditions? My knowledge is the situation suggests that unless there is a capacity use area declared, you may have requirement permits to withdraw, but apparently some limits have been issued and the Commission needs to be informed as to what those are and whether or not those are things that we should respect in making our decision. Thanks.

Written comments of Robert Easterling read by Heather Thomas, City of Sanford

ENVIRONMENTAL AFFAIRS BOARD

COUNTY OF LEE, NORTH CAROLINA
226 Carthage Street, Sanford, NC 27330
Phone: (919) 775-8242 Fax: (919) 775-8207

March 2, 2001

Re: Jordan Lake Interbasin Transfer

Mr. William G. Ross, Jr., Secretary
North Carolina Department of Environmental
and Natural Resources
1601 Mail Service Center
Raleigh, NC 27899-1601

Dear Mr. Ross:

Significant requests for 100 million gallons of drinking water reserve from Jordan Lake have many of us down river concerned. We understand requests have already exceeded resources that are available. We have confidence that the state will allocate this drinking water reserve fairly and equitably.

A concern of this board is the proposed increase of the interbasin transfer from the Cape Fear to the Neuse River Basin. This reduces flow down river. Equally, if not more importantly, it creates a precedent for future interbasin transfers. Taking water from Jordan Lake and returning it after use seems more logical. Today's technology should be used to keep river basins as close to natural as possible.

Another concern is the lack of a projected timetable for the study concerning long-term effects down river regarding interbasin transfers. What will the long-range effect of withdrawing millions of gallons of water per day (mgd) from Jordan Lake on the Cape Fear River communities, the natural environment and the agricultural and business enterprises?

What is the long-range plan for water distribution? Are there any models that clearly show how much water will be needed in different areas of the Cape Fear River Basin in the next 5, 10, 20 years? With the Division of Water Quality and Division of Water Resources so under funded and overworked, how can reasonable future needs be planned and impacts on the Cape Fear River Basin be evaluated?

The current sixteen dams on the Deep River already reduce down river average flows. Withdrawing millions of gallons of additional water a day from Jordan Lake will reduce down river average flows even more. Increased interbasin transfers also reduce flows.

Jordan Lake Interbasin Transfer
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Water is now, more than ever, a priceless commodity. It will be even more valuable in the near future. It should be allocated fairly to those living in the basin. Water usage should be planned now for the future of basins. The simple promise of a wastewater treatment plant in the year 2010 is not acceptable.

We feel the following items should be addressed;

1. Require interbasin transfers to be reduced or eliminated by 2010.
2. Require affected communities to enact buffer rules (such as Neuse River) in their respective jurisdictions.
3. Require a long-range plan for water distribution along the Cape Fear River Basin.

The board would like to thank you for your hard work over the years. We feel our position to be fair with respect to the needs of the communities within the basin.

Please feel free to contact us.

Sincerely,

Lee County Environmental Affairs Board


Robert Easterling
Chairman

cc: NC Legislative Delegations: Representatives Leslie Cox and Don Davis
NC Senate Oscar Harris, Don Davis, Ellie Kinaird,
Howard Lee

Lee County Board of Commissioners
Mayor and Sanford City Council
Town of Broadway Commissioners
Larry Thomas, Director of Public Works
Ken Schuster, Regional Water Quality Supervisor

Reference materials:
www.ncwater.org/jordan/index.htm
www.wildlife.state.nc.us/rivers/capefear.htm
tom_fransen@mail.ehnr.state.nc.us
Public hearings March 5th & 6th

Verbal comments by John Rigsbee, Cary Chamber of Commerce

Good evening, I am John Rigsbee, a Certified Public Accountant and Chairman of the Cary Chamber of Commerce. I greatly appreciate the opportunity to be here in support of the requested interbasin transfer.

When the Town of Cary began its rich history at the crossroads long before our nation was founded, no one had any idea what we would become today. Two factors played a key role in the development of what is now the states seventh largest municipality. These factors are vocation and business. About 100 years after being settled in 1750 the construction of North Carolina railroad between New Bern and Hillsborough place us on a major transportation route. Soon after a Wake County farmer and lumberman named Frank Page bought 300 acres of land nearby and established a sawmill, a general store, and then a post office. In the late 1800s a private boarding school was started in Cary which later became the first public high school in the state of North Carolina. That was our first growth spurt putting Cary at about 1,000 people. Our second growth spurt came in the 1960s with the development of the Research Triangle Park. Given our proximity to the park to the Towns of Raleigh and Durham, Cary experiencing getting a high quality growth has characterized the Town for the decade since. Today we are blessed to be home to the largest privately held software company in the world, SAS, as well as other key world class businesses, including IMB, MCI, Siemens, American Airlines, Lucent Technologies, Oxford University Press, the Board Corporation, John Deere, and Austin Foods. These businesses fuel not only Cary's economy, but also the economy of the region or even the state. For these businesses to continue fueling these economies, these businesses will need water. On behalf of the 1420 business members of the Cary Chamber of Commerce and the nearly 68,000 employees and their families that the Chamber represents, I ask for your support for the interbasin transfer request that we believe is the third key factor in our communities future success. Thank you for the opportunity to speak.

Written copy of verbal comments by Ron Singleton, Chatham County

COUNTY OF CHATHAM

PUBLIC WORKS DEPARTMENT

- Buildings and Grounds
- Waste Management
- Utilities (Water/Sewer)



70 SOUTH STREET
POST OFFICE BOX 1550
PITTSBORO, N. C. 27312-1550

ORGANIZED 1770

707 SQUARE MILES

RONALD D. SINGLETON, PE

DIRECTOR OF PUBLIC WORKS

(919) 542-8254

FAX

(919) 542-8282

email - ron.singleton@ncmail.net

March 5, 2001

Mr. Tom Fransen
NCDENR Division of Water Resources
1611 Mail Service Center
Raleigh, NC 27699-1601

RE: Cary/Apex IBT and Lake Jordan Allocation

Dear Mr. Fransen:

Chatham County Public Works staff has reviewed information related to the increased use of Jordan Lake and Interbasin Transfer requested by Wake County and the Towns of Cary, Apex and Morrisville. The IBT plan seems to be done in a way that assures that downstream users and other Jordan Lake users will not be adversely affected. Chatham County staff, therefore, has no objection to granting the requested 27 mgd IBT to the Towns of Cary and Apex or to granting the recommended Jordan Lake allocations for Wake County and the Towns of Cary, Apex and Morrisville.

Chatham County does; however, have concerns about the "regional" aspect of the Cary/Apex Intake. When the original Cary/Apex IBT, Jordan Lake Allocation and Intake Site were approved, it was made clear by the Corps of Engineers and the Division of Water Resources that the Cary/Apex site would be the only intake on the east side of the lake and any allocation holder needing access to the site would be given reasonable access.

Chatham County entered into a contract with Cary/Apex in January of 1994 for use of up to 1.0 mgd of raw water from the Cary/Apex project. Over the last several years Chatham County has been trying to increase the amount of raw water it could draw from the Cary/Apex project

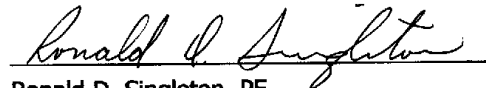
We are very close to entering into a long term contract with Cary/Apex that will ensure future development of the Chatham County water system by construction

of a separate raw water pumping facility on the site of the Cary/Apex Intake. The proposed Chatham County raw water pumping facility would share the existing lake intake with Cary/Apex but would be independent of the Cary/Apex raw water pumping facility. The contract is in final form and both parties have already agreed to most terms but it still has to be ratified by all three entities.

While Chatham County does not object to the Cary/Apex IBT or water allocation, it does ask that final action on these proposals not be taken until Chatham County's access to Jordan Lake water is guaranteed by final approval of the Cary/Apex - Chatham County Water Intake Service Agreement.

Thank you in advance for your consideration of these comments.

Sincerely,



Ronald D. Singleton, PE
Chatham County Director of Public Works

Copy to: Charlie Home, Gary Phillips, Margaret Pollard, Bob Atwater, Carl Outz,
Rick Givens, Robert L. Gunn, Ray Greenlaw

rds

Written copy of verbal comments by Ray Rapuano, Cisco Systems

**Cisco Systems, Inc.
Inter-basin Transfer Statement**

March 5 and March 6, 2001

Cisco Systems, Inc. the worldwide leader in networking for the Internet, is one of America's fastest growing and most valuable companies. Over 80% of the traffic on the Internet travels through and is managed by Cisco equipment.

Cisco has over 40,000 employees and has operations in more than 80 countries world-wide. Cisco is head-quartered in San Jose, CA, but has its second largest campus in Research Triangle Park, NC. Cisco's RTP campus has seen amazing growth since its opening in 1995. The campus has grown from 200 employees in 1995 to over 3,000 employees today that are housed in 1.3 million sq. feet of office space. Cisco's growth in RTP has just begun, 1.1 million additional square feet of office space, enough to bring the capacity of the campus to 7500 employees, is currently under construction. In addition, Cisco has planned for an additional 1.4 million sq. feet of office space to be constructed in the next decade bringing the potential capacity of the campus to 12,000 employees.

Cisco provides high paying engineering, sales and computer science clean industry jobs at its RTP campus. Cisco hires several hundred technically trained students from local colleges and universities as full-time, intern or co-op employees each year. Cisco, through its Cisco Networking Academy Program, is providing computer network management training to over 2000 high school, community college and college students throughout the state of North Carolina. At last count there were over 135 Cisco Networking Academies in High Schools, Community Colleges and Colleges in the State and about 50 of these were in eastern North Carolina.

Cisco is committed to North Carolina and to growing its RTP campus. Cisco does require infrastructure support in the form of good access roads, access to municipal services and water/sewer services in order to facilitate its growth in RTP. We view the Town of Cary's new water plant as an assurance that Cisco will have an adequate, reasonably priced water supply to help its RTP campus meet its planned growth. We ask for your support for the Town of Cary's new water plant and a speedy resolution to the inter-basin transfer issues.

Thank you...

Verbal comments by Nellie Tomlinson, Cary Chamber of Commerce

Good evening, my name is Nellie Tomlinson and like many of you here I am here to support the requested interbasin transfer without permission and in accordance with the petition that they were submitted.

I work as an attorney with Womble Carlisle. I volunteer as a Chairperson with the Cary Chamber of Commerce in the Governmental Affairs Division. But most importantly for purposes tonight, I live in Cary with my husband and my 2 daughters. Briefly what I want to do is share with you my perspective on what the Town of Cary is doing to make Cary an environmentally friendly place. Ensuring that we will be good stewards of the environment should you find in favor of the interbasin transfer without the conditions like the condition requiring that the interbasin transfer be reduced in 2010. More than four years ago Cary established its first water conservation program which was charged with helping businesses and residents find effective ways to reduce their use of drinking water for non-essential purposes such as landscaping. This program, which is one of the only four in North Carolina, has won numerous awards for innovation and effectiveness in helping Cary use less water. Cary's commitment to preserving the water supply is serious. We have an enforced local law that prohibits outdoor water waste. The Town requires rain sensors on all automatic irrigation systems and outdoor watering is only allowed on alternate days of the week. In each case the civil penalties are attached and frequent offenses can result offenders having their water service interrupted and even actually being sentenced to jail time. As Bill Coleman eluded earlier two years ago Cary became the first municipality in North Carolina to begin a bulk reclaim water program. Now the Town _____ 100's of 1000's gallons per day of high quality treated wastewater and make it available to businesses for important non potable uses like landscaping and this summer Cary will become the first place in the State to activate a separate utility system for reclaimed water, bringing such water to 100's of residents and businesses in the area treatment plant. From that point on folks who want to use automatic irrigation systems in that area will only be allowed to do so if they tie into the reclaim system. In July of last year Cary set aside a record \$12.5 million for the acquisition and preservation of open space, particularly in areas that might affect our water supply, Jordan Lake. Just this month the Town entered into a \$5 million contract to purchase land to allow a proposed 90 acre residential subdivision to move away from its planned location near Jordan Lake. In August of last year, the Town enacted a stand that exceeded State standards by mandating not 50 but a 100 foot buffer around most streams, rivers, lakes, and creeks and not just the new spaces, but town wide, and also include the Cape Fear Basin as well. This action meets the thousands of acres of the development pool in Cary and instantly shows that water quality is better off in Cary and downstream. At the annual planning retreat in February 23 of this year the Town Council directed the Town Staff to put into motion a process to change the 1996 land use plan and waste documents. Two of the Councils polled with these changes are to reduce the projected population build out of Cary over the next twenty years by almost 100,000 people and to keep developmental impact slow around Jordan Lake. Finally on March 1st the new and unprecedented storm water management rule went into place in Cary strictly governing the quantity and quality of run off coming from developments and the developing land. Again Cary chose to exceed State mandates by requiring the new rule

town wide not just for the new ones. These are just a handful of the steps that Cary's government has put in place to make Cary a leader in the State in preserving and protecting our natural resources. The changes are dramatic and unprecedented in any river basin and I know of no community that has spent more money or expended more effort to make sure that it mitigates the long-term affects of this growth. Mr. Bart I am proud of Cary Leaders and I am confident that they will continue to seek the best ways to ensure that we do as little as possible to negatively impact our surroundings. Thank you for your time and your consideration on our interbasin transfer.

Verbal comments by Hal Price, Biogen

Good evening, my name is Hal Price and I am the General Manager of the RTP Biogen Operation. We started the plant that is currently here in 1995 and since that time we have actually increased to four additional buildings with the total investment in excess of \$275 million. We have four other buildings that are on the drawing boards that will be completed within the next ten years or thereabout and the cost of those buildings will be in excess of \$150 million or more. We purchased 175 acres of land and our commitment from a company perspective is that we will grow from our Cambridge based operation to RTP. Our headquarters will not change but in fact the search capacity will move to RTP. The reason being, there is more _____ in Cambridge on buildings. That is why we are here. We purchased the land to support a growing twenty five-year plan. The products that we produce, most notably which is Avanex for the treatment of multiple sclerosis. We also have twenty other products that are in the pipeline and will be on the market within the next several years. One for heart failure, cancer, and for psoriasis. Additionally we will be building, our building now is the second largest biotechnology plant in the world. This 250,000 square foot facility is really driven by water. It is the main source for us and as we continue to grow water will be the lifeline of our operation in RTP. The current headcount within our facility is small compare to Cisco but its going to be doubling within the next year and a half. We currently have 135 people, they are scientists, they are technical people with the biotechnology backgrounds and very educated and high paid positions for Biogen. We obviously are in support of the IBT without conditions and we appreciate the opportunity to speak with you today. Thank you very much.

Written copy of verbal comments by Mary Kiesau, Sierra Club



NORTH CAROLINA
CHAPTER

Regional
Groups

Blue Ridge
Boone

Cape Fear
Wilmington

Capital
Raleigh

Central Piedmont
Charlotte

Cypress
Greenville

Foothills
Winston-Salem

Haw River
Burlington

Headwaters
Durham

Medoc
Rocky Mount

Orange-Chatham
Chapel Hill

Piedmont Plateau
Greensboro

Pisgah
Brevard

South Mountains
Morganton

WENOCA
Asheville

March 5, 2001

Comments on the proposed Cape Fear to Neuse Interbasin Transfer (ITB)

Submitted by: Mary Kiesau, "Solutions to Sprawl" campaign coordinator, North Carolina Sierra Club

Thank you for allowing comments to be heard tonight. My name is Mary Kiesau. I coordinate the NC Sierra Club's Solutions to Sprawl campaign. I am here tonight to give you the Sierra Club's comments on the proposed transfer of water from the Cape Fear River Basin to the Neuse River Basin.

The Sierra Club generally has concerns about Interbasin Transfers due to the many negative environmental consequences that can result from moving water from one basin to another. The Sierra Club has not taken a position on this particular proposal yet, although we would like to encourage some strict stipulations to be put in place if the transfer is approved.

The Cape Fear River is suffering, like most urban rivers, from too much oxygen-demanding waste. Jordan Lake is designated as "nutrient-sensitive." An increase in the amount of water to Cary, Apex, Morrisville, and the RTP will directly result in more growth. Unless mitigation and environmental protection controls are put in place, and new growth occurs in an environmentally sustainable manner, that growth will equate to increased problems for the Jordan Lake water-supply watershed and for the Cape Fear River Basin.

The localities asking for the ITB have been cooperative and relatively thoughtful through this process, and should be commended for their work, such as completing a full EIS (environmental impact statement) for the state, and, in Cary's case, applying 100ft buffers on both intermittent and perennial streams.

If the EMC moves to approve this transfer, we feel that land protection and growth-management mitigation should be required. As more and more requests for water and for interbasin transfers come to the EMC, the state should set precedents for maintaining clean, drinkable water and for overall sustainable growth. Some suggestions to mitigate this transfer include:

1. The Interbasin Transfer should be temporary. The EMC should set a sunset date for the transfer, by which the local governments in western

Chapter Office: 112 S. Blount Street • Raleigh NC 27601 • Tel: 919-833-8467 • Fax: 919-833-8460 • info@sierraclub-nc.org



Wake County begin using a regional WWTP (waster-water treatment plant) that returns the water into the Cape Fear. If the WWTP is delayed past the set date, the local governments should face a stiff penalty.

2. Require 100 ft. buffers on all streams within the said jurisdictions, Wake County and RTP, particularly in the Jordan water-supply watershed
3. Require stronger local and ultimately regional storm-water controls - at a minimum, the same as is required in the Neuse River Basin Plan.
4. Western Wake County should show the EMC how they will leave 20-25% of the remaining undeveloped land undeveloped.
5. On Jan 5th, the Dept. of Environment and Natural Resources adopted some "smart growth" principles. The EMC should use these principles as a guide and ask the local governments and the RTP to do the same. (See attachd)
6. The local governments should be encouraged or required to create or strengthen water conservation (use-reduction) plans and mechanisms, such as buffers for protecting clean water.

We know this transfer is a controversial matter - one way to soften the controversy is to get serious about mitigation and protecting the natural resources at stake.

Thank you for your time tonight.

Hearing Officer: Leo Green

If there are no further comments we will close the hearing at this time. For persons wishing to comment later the record will remain open for written comments until 5 PM Friday, March 9, 2001. Written comments will be considered. All comments will be a part of the public record, which will be presented to the EMC before making a decision on this matter this upcoming week. Thank you for your interest and the management of North Carolina Water Resources and for your participation at this hearing.